

**STATE OF NORTH DAKOTA**  
**BEFORE THE COMMISSIONER OF INSURANCE**

**In the Matter of the Application of                    )**  
**Surety Mutual Life and Casualty                    )**  
**Insurance Company                                    )**

**ORDER**  
  
**CASE NO. CO-03-126**

A hearing on the demutualization of Surety Mutual Life and Casualty Insurance Company was held before Hearing Officer Deputy Insurance Commissioner Douglas Holloway on January 20, 2004. The Hearing Examiner has reviewed the evidence of record and has issued his Recommended Findings of Fact, Conclusions of Law, and Order. The Commissioner has reviewed the Recommended Findings of Fact, Conclusions of Law, and Order and finds that the record supports the Recommended Findings and Order.

THEREFORE, IT IS ORDERED that the Recommended Findings of Fact and Conclusions of Law of the Hearing Officer are adopted as the Commissioner's Findings of Fact and Conclusions of Law in this matter.

IT IS FUTHER ORDERED that the Recommended Order of the Hearing Officer is adopted as the Commissioner's final Order in this matter as follows:

The proposed reorganization of Surety Mutual Life and Casualty Insurance Company from a mutual company to a stock company, with \$500,000 of the stock then being purchased by Duane Steffes, is **APPROVED** subject to approval by the eligible members and subject to receiving a contribution to surplus of an additional \$650,000 from Duane Steffes after approval by the eligible members.

The Commissioner of Insurance will retain jurisdiction over the subject matter of this proceeding and over the parties for the purpose of entering such further order or orders as may be deemed proper.

DATED at Bismarck, North Dakota, this 28<sup>th</sup> day of January, 2004.

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Jim Poolman  
Commissioner  
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